BARGAIN AND SALE DEED

KNOW ALL MEN BY THESE PRESENTS, That SHADOW HILLS DEVELOPMENT CORPORATION, an Oregon corporation, herein called "grantor", in consideration of TWO HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS to it paid, has bargained and sold, and by these presents does grant, bargain, sell and convey to PRIMARY SOURCES, INC., a California corporation, herein called "grantee", its successors and assigns forever, the following-described premises, situated in Klamath County, State of Oregon:

Parcel 1: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 20, 21 and 22, Block 1; Lots 1, 2, 3 and 4, Block 2; all of vacated Blocks 2 and 3, EXCEPT that portion conveyed to Klamath County School District by deed recorded in Volume M-73, Page 4117, Deed Records of Klamath County, Oregon; Lot 14 and the South 35.09 feet of Lot 19, Block 3; Lots 1, 2, 5, 6, 7 and 8, Block 4, all in Tract No. 1031 Shadow Hills Subdivision - 1.

Parcel 2: Tracts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15 and 19 ENTERPRISE TRACTS, EXCEPTING THEREFROM any portions of the above-described tracts lying within Tract 1031, Shadow Hills - I, or any vacated portion thereof vacated by Ordinance No. 5852 and recorded in Deed Volume M-72, Page 5439, microfilm records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM: Beginning at the Southwest corner of Tract No. 9, Enterprise Tracts; thence N. 00°23'06" W. 349.03' to a point; thence N. 89°12'38" E. 687.90' to a 5/8" iron rod on the easterly line of said Tract 9; thence S. 00°52'56" E. 350.16' to a 5/8" iron rod, said iron rod being the Southeast corner of said Tract 9; thence S. 89°17'44" W. 690.93' to the point of beginning, being a portion of Tract 9, Enterprise Tracts.

SUBJECT TO THE EXCEPTIONS SET OUT ON EXHIBIT A ATTACHED HERETO.

Together with all tenements, hereditaments and appurtenances thereunto belonging or appertaining, and all estate, right, title and interest in and to the same.

This grant is intended to convey all of the grantor's rights of redemption as to Suit No. 74-573 E., Circuit Court of the State of Oregon for Klamath County.

TO HAVE AND TO HOLD said premises unto said grantee, its successors and assigns forever.

The true and actual consideration for this transfer is \$225,000.00.

IN WITNESS WHEREOF, SHADOW HILLS DEVELOPMENT CORPORATION, pursuant to a resolution of its board of directors, has caused these presents to

(Bargain and Sale Deed - 1)



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